

THE VIRGINIA MEDICAID PROGRAM AT A GLANCE

January 2008



Introduction:

Authorized under Title XIX of the Social Security Act, Medicaid is an entitlement program financed by the state and federal governments and administered by the states. The Virginia Medicaid program is administered by the Department of Medical Assistance Services (DMAS).

Federal financial assistance is provided to states for coverage of medical services for specific groups of low-income people. Federal matching payment rates are based on the state's per capita income. The federal match rate for Virginia is 50% for 2008.

Who Is Covered by Medicaid?

While Medicaid was created to assist persons with low income, coverage is dependent upon other criteria as well. Eligibility is primarily for those persons falling into particular categories such as low income children, pregnant women, the elderly, persons with disabilities, and parents meeting specific income thresholds. Within federal guidelines, states set their own income and asset eligibility criteria for Medicaid, which results in a large variation among the states as to who is eligible. In Virginia, income and resource requirements vary by category.

The Virginia Medicaid population in fiscal year 2007 was comprised of:



- 489,893 children,
- 123,620 parents or caretakers of children,
- 84,283 elderly persons, and
- 176,182 persons who are blind or who have disabilities.*

Children and parents/caretakers of children make up about 70 percent of the Medicaid beneficiaries, but they account for less than a third of Medicaid spending. Persons who are elderly or who have disabilities account for the majority of Medicaid spending because of their intensive use of acute and long-term care services.

**These totals do not include individuals enrolled in the Family Access to Medical Insurance Security (FAMIS) or Medicaid Expansion Programs.*

What Services Are Covered Under Medicaid?

The Virginia Medicaid program covers a broad range of services with nominal cost sharing for some of the beneficiaries as permitted under federal law. The Virginia Medicaid program covers all of the federally mandated services:

- Inpatient and outpatient hospital care,
- Physician, nurse midwife, and pediatric and family nurse practitioner services,
- Federally qualified health centers and rural health clinic services,
- Laboratories and x-ray services,
- Transportation services,
- Prenatal care,
- Family planning services,
- Skilled nursing facility and home health care services for persons over age 21, and
- Early and Periodic Screening, diagnosis, and treatment program for children ("EPSDT").

Virginia Medicaid also covers many optional services, including, but not limited to:

- Routine dental care for people under age 21,
- Prescription drugs,
- Rehabilitation services such as occupational, physical, and speech therapy,
- Intermediate care facilities for persons with developmental and intellectual disabilities and related conditions, and
- Mental health services.

Medicaid beneficiaries also receive coverage through "waiver" programs. Waivers allow for programs to be designed to meet the unique medical needs of Medicaid subpopulations. The following waiver programs are available to Medicaid beneficiaries who meet admission criteria:

- AIDS Waiver,
- Alzheimer's Waiver,
- Day Support for Persons with Mental Retardation Waiver,
- Elderly or Disabled with Consumer-Direction Waiver,
- Mental Retardation Waiver,
- Technology Assisted Waiver, and
- Individual and Family Developmental Disabilities Support Waiver.

How Is Care Delivered Under Virginia Medicaid?

DMAS provides Medicaid to individuals through two general care delivery models: a model utilizing contracted managed care organizations (MCO) to coordinate care; and a Fee-for-Service (FFS) model, the standard Medicaid program whereby service providers are reimbursed directly by DMAS.

The MCO program, started in 1996, is available in certain regions of the state. As of December 2007, 424,786 Medicaid beneficiaries were enrolled in managed care (64 percent of total beneficiaries), with 235,233 beneficiaries enrolled in the fee-for-service program (36 percent of total beneficiaries).

MCO program expansions will continue in 2008 with the development of an integrated acute and long term care program for beneficiaries who are currently exempt from the managed care program.

As an additional option for long-term care recipients, DMAS is also expanding the Program for All-Inclusive Care for the Elderly (PACE) to multiple sites across the Commonwealth. PACE is designed to allow Medicaid eligible individuals aged 55 or older who have been assessed as meeting nursing facility level of care to avoid more costly institutionalization by providing coordinated care in their homes and communities.

Medicaid Expenditures and Enrollees

Over the past ten years, the number of people enrolled in the Virginia Medicaid program has increased by 21%. The overall increase has been driven primarily by increases in persons who are blind or otherwise disabled, as well as increases in children enrolled (largely in response to significant outreach and education efforts regarding the need for childhood health coverage).

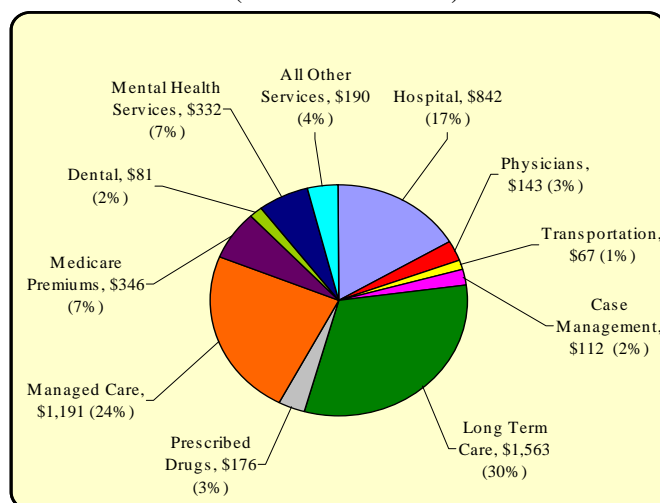
Group	1997	2007	% Change
Aged	92,531	84,283	-9%
Blind and Disabled	116,797	176,182	51%
Children	393,919	489,893	24%
Adults	121,357	123,620	2%
Total	724,604	873,978	21%

Despite this enrollment growth over the 10 year period, Virginia's eligibility criteria remain among the strictest in the nation. With population ranking Virginia as the 12th largest state (2006), we are 22nd in the number of Medicaid recipients served, and are the 47th lowest state in the nation in terms of Medicaid recipients as a percent of the total population (both rankings from 2005).

In addition to population increases, expenditures have increased as well, albeit consistent with those of other states. Virginia's 7.1% projected increase from 2007 to 2008 compares to 7.8% for all states. Expenditure levels are affected by population and economic change, such as health care cost inflation, as well as by advances in health care delivery and program changes directed by federal and state decision makers.

Though Virginia's rate of growth in expenditures is comparable, the absolute level of spending remains low relative to other states. While Virginia enjoys higher than average per capita income (ranked 9th in 2006), Medicaid spending per recipient ranks 31st (2005) with spending per capita ranked near the lowest levels nationally at 48th (2006).

DMAS FY2007 Medical Services Expenditures
(Amounts in Millions)



In FY 2007, 2.1% of the total DMAS budget was allocated toward administration.

DMAS strives to provide a system of high quality comprehensive health services to qualifying Virginians and their families.

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